

Enclosure to:
MDAC/P Brown to
MDAC/W Anderson letter
of December 9, 1953
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SECURITY INFORMATION

STATUS
OF
DIVERSION CASES

- a. SALZBURG DETENTION: BALL BEARINGS (November 1952 - July 1953)
Case No. 1

The USFA report due October 20th has never been received. Emb/Vienna reported on November 14th that the report "would be forwarded soonest". MDAC/P has dispatched an airgram requesting info as to when the report might be expected (Paris ECOTO A-35 to Vienna, December 5th, rptd Washington ECOTO A-464).

- b. VILLACH DETENTION: COPPER WIRE (June 1953)
Case No. 1

An extensive summary of this case is being forwarded to MDAC/Washington under separate cover (ED/Diver(53)4 - November 30th). A cable from Rome (Rome/Wash 1775, Dec. 2) has just been received in Paris giving the present status of the case. MDAC/Paris repeated the same cable to other posts and requested some additional information (Paris/Wash ECOTO 957, Dec. 4th). The release of the copper to the "legal owner" is being contemplated by the Italian authorities and Emb/Rome is taking action to try to prevent such action.

- c. COPPER WIRE: S.S. JURA

Ref: Bonn to Antwerp 3 pouched
Paris of September 30

A resume of this case is being forwarded to MDAC/W under separate cover (ED/Diver(53)1, October 14th). Although diversion can certainly be presumed, no further information has been received re the S.S. JURA. The disposition of the second KRAUSE order for 625 t. from Trefileries & Laminaires, Belgium, is covered in Brussels/Bonn OM October 14th cy to Dept.

Not rec'd MDAC

DOS & DOC declassification & release instructions on file

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d. COPPER: MISCELLANEOUS CASES

- (1) Ref: Beirut to Dept. UNN rptd Paris 9
of September 2

Nothing new has been received on this case. Transaction
believed not concluded due to terms reftel. Suggest Wash. query Beirut.

- (11) Ref: Damascus Desp. 236 of October 13

Ref Despatch not received in MDAC/P.

e. SCRAP: GANDINI TRANSACTION

Ref: Dept's CA-2194 of October 20

No reports have been received on the 25,000 t. Turkish
scrap which P. Gandini of Milan was attempting to divert
in August. We presume the Dept. reftel will cover request
for further info.

f. COPPER (300 t.): S.S. AFRICAN PRINCE

Ref: Deptel to Brussels 418 rptd Paris UNN
of October 28

MDAC/P has requested info from Brussels on this case
(Brussels ECOTO 50, Nov. 27th not rptd Wash.).
Antwerp D-213, December 2, reports the S.S. African
Prince did not touch Antwerp.

g. UK PETROLEUM DISTILLATION EQUIPMENT (EXIMPO, Switz.)

Ref: London 1826 rptd Paris TOPOL 36 of
October 28

No further info developed on diversion. Amsterdam advised
D-21 November 4 advises Netherlands firms mentioned Bern/
Wash 412, October 22 claim no knowledge of shipments.
Wash/Paris 1646 October 30 assumes UK taking action.

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- h. BALL BEARINGS (29 cases) and COPPER WIRE (18 cases)
GENERAL TRANSPORT REROUTING

Ref: Basel Desp. 26 of October 13

Nothing new has been reported on this case. We are investigating disposition of VETSCH storage and possible similarity between LETSCH of this case and LAETSCH of Salzburg, Para i/3.

- i. SALZBURG DETENTION: BALL BEARINGS (September 22, 1953)
Case No. 2

Ref: Vienna 1206 rptd Paris 169
of November 6

The reports received on this case subsequent to Vienna Dept 1206, November 6, are as follows:

- 1) Bonn D-1504, November 19

gives a detailed report, case by case, including seller, buyer, consignors/ees, intermediaries and licensing details. It also stated that further investigations are in progress.

- 2) Bonn to Paris TOPOL unnn Nov. 21 sent Vienna 79 Dept unnn.

Impasse Villach case has stymied action by reason of confiscation warrant for ball bearings.

- 3) Vienna to Paris 201. Dec. 5. sent Bonn 105 Wash 1462, Zurich 6

reports receipt of letter from owner threatening suit.

- j. VILLACH DETENTION: BALL BEARINGS and DIPHENYL GUANIDINE (Neth.)

Ref: London 1661 of October 16
Vienna 968 rptd Paris 138 of October 15

- a) German Ball Bearings

1. Bonn TOPOL unnn to Paris and Dept, Nov. 21 sent Vienna 79, gives report of "exhaustive check" and summarizes Bonn-Vienna negotiations for issuance of Austrian warrant for Seyfert ball bearings and prerequisites for return of goods to FEDREP. Cites December 1 deadline.

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ii. Bonn/Vienna 83 November 25 sent Dept. and Paris um. reports letter has been sent November 23 by FEDREP Minister of justice requesting return of Seyfert bearings and presumes arrangements will be completed by December 1st deadline.

iii. Bonn D-1535 November 23 (see also k. ENTRA)
Despatch discusses application of confiscation warrant as legal device for such diversion cases as Villach: Seyfert ball bearings.

b) French Ball Bearings

^{D-}
Paris 1391, November 24.
Reports disposition of case: ball bearings returned to Basel and rediverted to MASFED. French seller SACHS asserts he did everything possible (?) to prevent diversion but General Transport would not return ball bearings to France since ownership had already been transferred to MASFED.

c) Neth. - Diphenyl Guanidine

Your reftel last info received. MDAC/P has queried London and Rotterdam on status of case.

k. BALL BEARINGS: ENTRA

has summarized this case, October 28.

Ref: Stockholm 324 rptd Paris 33 of
October 9

1. Stockholm D-426, October 9th

Refutes Bonn to Dept 1140 October 2 which stated the Swedish Government had decided they were not in a position to move against ENTRA. Summarizes Swedish government actions which were initiated too late to prevent diversion since Bonn did not transmit info in time.

ii. Bonn/Stock Q1 October 19 (no Dept.)

Reports Bonn court rules against issuance of confiscation warrant saying diversion was responsibility of Swedish Government, and summarizes HICOG request this information be transmitted to Swedish Government.

iii. Bonn D-1535, November 23

Discusses FEDREP legal device of issuance of confiscation warrant in ENTRA case saying system will have at least limited usefulness in stopping shipments before it leaves Germany.

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not received MDAC